

Some months ago a man by the name of Christie sued Dr. Rae Smith, of Los Angeles, and a member of the Los Angeles County Medical Association, and hence of the State Society, for \$50,000 damages for operating upon him, as it was alleged, unnecessarily. Dr. Smith held policies in the Physicians' Defense Co., (the policy had expired but neither the doctor nor the local agent knew it at the time the suit was filed) and the Fidelity and Casualty Co., which policy was in full force. There were business relations between the attorney for the plaintiff, Christie, and the attorneys of the insurance company, and therefore Dr. Smith requested that the attorney for State Society take a hand in the case. We retained the services of Mr. Gurney Newlin, a well known attorney of Los Angeles, to take charge of the suit. This selection was made at the request of Dr. Smith himself. The trial came on and was bitterly fought. It is not essential to enter upon the details, but it may be said in passing that it lasted nine days—almost, if not quite, the record for such a suit in this state—and that the jury returned a verdict for the defendant, Dr. Smith, after being out about ten minutes. During the entire course of the trial an attorney representing the insurance company was in court, but he had absolutely nothing to do with the conduct of the case; Mr. Newlin, the attorney for the State Society, did all the work and deserves all the credit for the successful outcome. The insurance company paid the actual charges of the suit—that is, the Court costs—and probably paid their attorney something for being present in court every day. But the main burden of the defense was upon the State Society—and it defended successfully. The *Bulletin* of the Los Angeles County Medical Association, in commenting upon the case a few months ago, said that one of the insurance companies acted queerly. Later, Dr. Smith took the editor of the *Bulletin* to task for printing that statement; a statement which was true and which correspondence in the office of the Society shows to have been true and shows Dr. Smith to have been uneasy about the result if the insurance company alone managed the defense. For some reason best known to himself, Dr. Smith was persuaded to change his opinion, after the suit was over, and to write a letter to the Fidelity and Casualty Co., in which he gives all the credit for his defense to that company, where it does not belong. That letter was copied by the company and, presumably, sent to all the physicians in Los Angeles County, if not elsewhere. The letter is as follows:

March 14, 1911.

Fidelity & Casualty Company,
204 Merchants' Exchange, San Francisco.
Gentlemen:

I have recently learned that an unfounded report has become current that you did not

treat me fairly in your handling of the case of Christie vs. Smith, in which I was the defendant. This report has caused me deep chagrin for it is absolutely contrary to the facts. I wish to assure you that your conduct of the case was wholly satisfactory to me and I am greatly gratified with the results obtained. You cheerfully assumed and paid all of the costs of the case, and I was so well pleased with your entire fairness throughout the litigation that I have just renewed my Physician's Liability policy in your company for another year.

Yours respectfully,

REA SMITH, M. D.

What reason Dr. Smith may have had for writing this extraordinary letter, we do not know. Certainly, the statements made in the letter are not all of them in accord with the facts. The company did not pay all of the costs of the case—nor nearly as much as the State Society paid to defend the suit. The attorney for the company did not have a word to say during the entire course of the trial, if the facts are correctly reported.

For some years various companies have issued policies to physicians and surgeons, insuring them against suits for malpractice. These policies cost from \$15 up. The Physicians' Defense Company of Fort Wayne denies that it is doing an insurance business in issuing these contracts—or policies—but in this point it does not hold with the Insurance Commissioner or the Attorney General and it has been ordered to discontinue writing such policies—or contracts—until the question has been settled in the courts. In July, 1909, the Medical Society of the State of California decided to mutually protect the members by defending any member in good standing who should be sued for malpractice. It did not undertake to write any insurance policy or issue any contract; the members decided to take care of themselves. This is done simply for the amount of the annual assessment, and for nearly a year and a half has been done most successfully. As soon as the State Society started this work, and the members began to realize that they did not need to pay their \$15.00 or more a year to any private company, as a matter of charity, they began to discontinue their insurance in private companies as the policies expired. Then the different companies began to write long letters, full of wonderfully impossible statements as to their own respective efficiency and the inability of the Society to do anything like as wonderful legal work as that particular company, etc., etc. In the main, these letters were stock form letters; occasionally a more personal letter was written; scores of them have been sent to the JOURNAL. When this sort of thing began, the Council considered the matter and decided to ignore the insinuations of these companies and to pay no attention to their "slams" at the Society's